

// A special meeting of the Council of the City of Lynchburg, recessed from June 27, was held on the 11th day of July, 2006, at 1:00 P.M., Second Floor Training Room, City Hall, Joan F. Foster, President, presiding. The purpose of the meeting was to conduct a work session regarding several items. The following Members were present:

Present: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster

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Absent:

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// Director of Utilities Tim Mitchell provided an update regarding the development of long term water contracts with the Services Authorities of Amherst, Bedford and Campbell Counties. Mr. Mitchell explained that the current water contracts with the Counties were extended for a period of one year through June 30, 2006, while a Cost of Service Study was conducted. Mr. Mitchell stated that the Cost of Service Study, prepared by Black & Veatch Corporation, was based on an industry standard methodology as recommended by the American Water Works Association (AWWA), and that the goal of the study was to fairly allocate the cost of water production and delivery to particular customers based on annual usage and peak rates of demand. Mr. Mitchell explained that this method helps to provide rate stability for the region by encouraging the utilization of the capacity in City's system, defraying supply and treatment capital investments in counties, and spreading future City capital investments over a larger customer base. Mr. Mitchell went on to say that the revenue requirements were determined by a "Utility Basis" approach and include elements of operations & maintenance expense, depreciation, and return of rate base and that costs were then allocated on a "Commodity-Demand" methodology based on level of water service provided with an outside-city "Return Factor" being calculated and applied and includes a premium for risks involved in providing service to outside-city customers. Some Council Members questioned information contained in a chart in the Executive Brief which indicates that the City's water rates will be increasing while the County water rates will be decreasing and expressed concern that County residents would be paying less than the citizens of Lynchburg for City water. Mr. Mitchell explained that the rates in the chart for the counties do not take into account the charges added on by the Services Authorities and, in fact, county residents are paying a lot more for water than City residents. Mr. Mitchell went on to say that City residents do not pay more "wholesale" than County residents. Some Council Members also questioned if a 2% "return factor" is adequate and maybe the City should look at a 4% or maybe a 6% return factor. Although very supportive of regionalism and regional cooperation, City Council stated that their first responsibility is to the Lynchburg citizens and to ensure that they are not paying more than the County for City water. Following discussion, City Council asked that this item be scheduled for further discussion at the August work session and that Council Members be provided information comparing wholesale to wholesale prices, in addition to what a typical City and County water bill would look like when comparing rates.

// City Manager Kimball Payne along with Project Manager Tom Wilson provided an update regarding the "Midtown Connector" Project. City Council was provided with an update regarding the results of the Virginia Department of Transportation (VDOT) traffic counts in the corridor and the results of their analysis

and impact on the project, design considerations as a result of the VDOT traffic analysis, including issues with the railroad bridge/tunnel, drainage, coordination with Combined Sewer Overflow (CSO) activities, water utilities replacement and electrical utility relocation or burial, the status of a meeting with Centra Health and tie into their Master Plan, and an overview regarding the proposed Lakeside Centre development and traffic planning considerations at the 501/221 intersection. Mr. Payne stated that he will continue to brief City Council and all the major stakeholders as the project evolves.

// City Manager Kimball Payne stated that in late June two representatives of Lynchburg's Sister City, Rueil-Malmaison, France, visited Lynchburg to explore opportunities for greater economic interaction between the two communities. Mr. Payne explained that these individuals met with both City and regional economic development officials and several area businesses to explore an economic development initiative between the two communities with a goal of establishing economic ties between businesses in Rueil and the Lynchburg area. Mr. Payne went on to say that any visits would focus on business development as the prime purpose of any exchange and that participation by area businesses would be essential to the success of this initiative. Mr. Payne explained that because there were concerns about the City's past participation in the Sister Cities program, it was felt that this matter should be discussed with Council to determine its interest in this proposal and to determine if the City should participate in Sister Cities activities with Rueil-Malmaison, France. Following the presentation, and on motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote indicated its willingness to support the concept of the economic development initiative with a goal of establishing economic ties between businesses in Rueil and the Lynchburg area:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster

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Noes:

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// Deputy City Manager Bonnie Svrcek stated that the results of the Citizens Survey will not be available until late August and that it would be better if City Council's retreat were two days together. Following discussion, City Council agreed to schedule its annual retreat for the afternoon of Thursday, September 14, and all day on Friday, September 15.

// During roll call, and in response to Council Member Gillette's inquiries, City Attorney Walter Erwin provided an update regarding the open air burning issue, and City Manager Kimball Payne provided an update regarding two way traffic on Main/Church Streets. Council Member Gillette suggested as a potential retreat agenda item a discussion regarding "Smart Growth." Council Member Seiffert expressed concern that the section of the City ordinance regarding the playing of loud music from vehicles is not being properly enforced and asked for a report regarding the number of tickets that have been issued for violation of this section of the ordinance. Council Member Seiffert provided information and informed of strong neighborhood opposition to the development of a low income housing project next to the Richland Hills neighborhood. Council Member Garrett stated that since City Council did not have a lot of time to meet with the City Manager regarding his evaluation, he suggested that City Council meet again with the City Manager. Council Member Garrett inquired regarding a pedestrian crosswalk at Langhorne and Tate

Springs Roads near the Holy Cross School and suggested that during the time that one lane of the Martin Luther King, Jr. Bridge is closed to traffic, that an analysis be done to determine the impact of reduced traffic on Fifth Street. Council Member Helgeson suggested that the process for improvements to the Greenview Drive/Leesville Road Interchange begin as soon as possible. Council Member Johnson informed of his attendance at a VML Environmental Quality Committee meeting in Richmond and stated that the Committee agreed to write a letter to the Governor expressing its concern that Lynchburg did not receive any State funding this year for its Combined Sewer Overflow (CSO) program.

// On motion of Council Member Gillette, seconded by Council Member Garrett, Council by the following recorded vote elected to hold a closed meeting to consider appointments to Council-appointed Boards and Commissions and to conduct the performance evaluations for the City Manager, City Attorney and Clerk of Council pursuant to Section 2.2-3711 (A) (1) of the Code of Virginia, 1950, as amended:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// The meeting was re-opened to the public.

// Council Member Gillette made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Council Member Dodson, and Council by the following recorded vote adopted the motion:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// In the matter of Appointments, and on nomination of Council Member Gillette, Council by the following recorded vote appointed Council Member Scott Garrett to fill an unexpired term on the Lynchburg Community Action Board ending December 31, 2007:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On nomination of Council Member Gillette, Council by the following recorded vote re-appointed Mayor Joan Foster to serve on the Region 2000 Local Government Council and the Region 2000 Metropolitan Planning Organization for a term to expire June 30, 2009:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On nomination of Council Member Gillette, Council by the following recorded vote appointed Mayor Joan Foster to serve on the Region 2000 Workforce Investment Board for an indefinite term:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On nomination of Council Member Gillette, Council by the following recorded vote appointed Council Member Scott Garrett to serve on the Region 2000 Economic Development Council for an indefinite term:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// The meeting was adjourned at 4:55 p.m.

Clerk of Council